**LETTER OF TRANSMITTAL**

April Hurley

March 30, 2018

Marcea Barringer

Federal Housing Finance Agency

Office of Housing and Community Investment,

400 Seventh Street SW., Washington, D.C. 20219

Dear Marcea Barringer:

My comments on the proposed rule, identified by regulatory information number (RIN) 2590-AA83, is humbly submitted per the request of The Federal Housing Finance Agency (FHFA). I am presently a Master Degree in City and Regional planning candidate at Pratt Institute. The Affordable Housing Program has transformed our community with both homeownership and rental housing. In so much that a year ago, I also joined a First Home Club.

This opportunity is significant as planners and community development organizers seek to address the national housing crisis or even the chaos government backed global gentrification has on middle and low-income communities.[[1]](#footnote-1) *The coordinated political and private systematic displacement of working (poor) black and brown people by the gentry through new development in business corridors and higher priced housing. (Sentence fragment?)*

*There are several ways government has influenced where people live, especially considering that prior to 1800s government left housing to the individual. One example is pro-development Federal Tax codes giving greater tax benefits to new construction than for the improvement of existing buildings. This constant construction undermines the stability of local economies as economic activity is dispersed to other neighborhoods. Another example is the FHA set standard in housing construction and appraisal. The assessment of whether FHA loans were given and to whom they were given was extremely myopic. The FHA loans built on the ecological, socio economic as well as the racist and elitist ideas of its era. Those who benefited from FHA loans standard of life greatly improved as they were able to own houses and thus begin to build generational wealth. Yet its great legacy unfortunately is its ability and the consequences of preventing the greater population of minorities from improving their quality of life.*

*So, in 2018, what will be the legacy of the* Federal Housing Finance Agency? Please find my public comments below.

Sincerely,

April Hurley

Public Comment:

We are grateful for the opportunity for our voices to be considered in the work of the Federal Housing Finance Agency (FHFA). The purpose of the Federal Home Loan Bank Act is to enable banks to establish an affordable housing program; to enable bank members to provide subsidies for long-term, low and moderate income owner-occupied and affordable rental housing.[[2]](#footnote-2) Understanding the purpose of the FHFA; we present support for FHFA and the following proposals considering what would be the impact of adopting these recommendations on populations in greatest need of affordable housing assistance.

As we approach this analysis our question is that is there a greater need for subsidies, we believe the poor we will have with us always. Peter Marcuse (1976) presented a different approach to ethics around urban planning and community development. He stresses *the structural view of planning is in question based on the history. It would judge planning’s results by whether they contribute to maintaining or to challenging those features of the social system that are judged ethically undesirable.”[[3]](#footnote-3)*

Our conclusion is yes, 15% of Americans live below the poverty line, a family of four earning approximately $20,000 annually which is coincidentally consider 50% of the AMI. Thus, the real question remains, is this type of housing need being met? No, it is not being met. Census data number of rent burden households remain at approximately 50% of households. “The national homeownership rate has fallen from its peak of 69.2% at the end of 2004 to 63.9% as of September 30, 2017.” [[4]](#footnote-4)

There is a lot of funding for developers seeking to build truly affordable housing. In addition to AHP there is Low Income Housing Tax Credits (LIHTC); HUD Section 811: Disable, Elderly, Farmworker Multifamily Program. The regulation already permits the aligning of rental projects that receive subsidies under the Competitive Application Program as well as households that receive subsides under the Homeownership Set-Aside Programs. I would suggest that now the households that receive subsides under the Homeownership Set-Aside Programs as well as Competitive Application Program should be permit to use sampling plans to cross check back-up documentation.

As for **question number 5**.it its necessary that members’ AHP agreements with LIHTC projects sponsors include a provision requiring the sponsors to provide prompt written notice to the Bank if the project is in noncompliance with the LIHTC income-targeting or rent requirements during the retention period. Since both programs are substantially equivalent in terms. The propose adjustment is bearable considering 3 factors. The first point is that its concerning with government decreases oversight, however for the FHFA to require the Bank to send notice when projects are not in compliance is a fair trade; decrease responsibility increase accountability. Secondly, most banks mention that very few programs go into non-compliance.

**Question 6, 13 and 14** I believe the FHFA should not remove the requirement for retention agreements on owner-occupied units, except in the case where the net profit is $1000 or less. I agree having this stipulation not only deters flipping. The proposed amendment in question 13 and 14 provide for outlier situations such as in case the deed transfers in lieu of foreclosure or death etc.… Furthermore, in response to question 15, I believe this retention criteria should be applied indefinitely to developers of affordable housing. This would help reserve rental projects while discouraging displacement of current occupants with higher incomes than those targeted in the initial AHP application.

There are a lot of funding for developers seeking to build truly affordable housing. In addition to AHP there is Low Income Housing Tax Credits (LIHTC); HUD Section 811: Disable, Elderly, Farmworker Multifamily Program. In respect to **Questions 28-34**: Though there are many credits and subsidies for developers to build housing mix-used or 100% affordable. It is extremely difficult to find housing for 50% AMI or below. Rental subsidies are limited, we hope our elected officials will follow suit and create more rental subsidies to address this problem. Very few states if any is home to a metro that does not have a population affected by the housing crisis. Developers often find that 80% AMI units end up being occupied by the 50% AMI individual with subsidy. However, it’s the purpose of government to make sure access to resources are equally distributed. “Logically they stress that it’s not attractive to design a portfolio on rent levels appropriate for 50% AMI folks.” However, data shows that the specific housing needs for the elderly, disabled and working poor is not being met. For over 10 years consistently nearly 50% of the American population have been characterize as rent-burden or severely rent-burden in 53 of the nations most populated metros. Furthermore in 2016, “this modest drop of 1.2 percentage points over three years still leaves the share rent burdened above what it was in 2006 (47.1%)”[[5]](#footnote-5) Thus it is far to say that no bank will be short of customers, the proposed 20% should be increased to 50%. FHFA can lead the way as other funders change the threshold amount to address the nation-wide housing crisis. This is imperative as we consider the case of homelessness.

Lastly, specifically, in Question 31: Whether its, 20%, 30% or 50% of the special needs living together the most important issue is the stability of housing and existing services. We stress again the services provided to the special needs populations help ensure that goals aren’t just met but sustained.

We laud FHFA for working to update the AHP regulation. In a season of deregulations, speculation it’s necessary that more agencies seek to address the inequities that is seen in the widening gap between uber rich and the rest of the nations. Many providers of quality low-income housing have utilized the AHP program to assist financially in the development or rehabilitation of affordable housing. Let’s change from the FHA loans that help spur suburbanization of the 50s and 60s, not for a select few. *“Urban planning is used to legitimize the process of obtaining and using land and other resources.”[[6]](#footnote-6) to maintain the lifestyle or to improve the quality of life for all?*

1. Brooks, N., Donaghy K., and Knaap, G., (eds.) The Oxford Handbook: Urban Economics and Planning (p.380) [↑](#footnote-ref-1)
2. Federal Housing Finance Agency [↑](#footnote-ref-2)
3. Marcuse, Peter (1976). “Professional ethics and beyond,” Journal of the American Planning Association 42: 264-274 [↑](#footnote-ref-3)
4. Federal Housing Finance Agency (p.11348) [↑](#footnote-ref-4)
5. NYU FURMAN REPORT [↑](#footnote-ref-5)
6. Fischler, Raphaël. *Journal of Planning Education and Research*, vol. 32, no. 107, 1 Sept. 2011, pp. 106-14, doi:10.1177/0739456X11420441. Accessed 30 Apr. 2018. [↑](#footnote-ref-6)